



State of Connecticut

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Date: March 20, 2009

To: Senator Harp
Representative Geragosian
Senator Debicella
Representative Miner
Members of the Appropriations Committee

From: Senator L. Scott Frantz

Re: *SB 49: An Act Concerning an Annual Summary of the Long-Term Fiscal Condition of the State*

Good afternoon Chairman Harp, Chairman Geragosian, Ranking Member Debicella, Ranking Member Miner and members of the Appropriations Committee. Thank you for the opportunity to submit testimony in support of SB 49, which would forward the idea of annually informing the general public and the General Assembly of the current fiscal circumstances and future outlook in the State of Connecticut. The intention is to have at our fingertips a "dashboard report" as well as long term trend analysis using graphics and key summary metrics where possible of how we are positioned as a state. This tool would serve to raise awareness and allow state government to manage fiscal issues to assure a sensible budget and fiscal balance for future generations of families, individuals and businesses.

Currently, state law (Sec. 2-36b G.C.S.) requires the Office of Policy and Management (OPM) and the Office of Fiscal Analysis (OFA) to provide budgetary summaries and other information to the Finance, Revenue and Bonding and Appropriations committees. Although this information is readily available if someone searches for it, the data is oftentimes hard to comprehend for those without financial or accounting backgrounds and typically includes current numbers and shorter term forecasts. The proposed, more user friendly analysis will give members of the public as well as the General Assembly a more useful picture of the state's economic climate by providing an opportunity to spot economic trends that may have emerged. The more concise and clear the summaries are, the better equipped citizens will be in financial planning and legislators will be in making important decisions on taxes, spending, and other proposals going forward.

Examples of suggested inclusions in the Annual Summary (Graphical and/or in tables):

Past Five Years

State Revenues

Annual Growth Rate of State Revenues

State Expenses

Annual Growth Rate of State Expenses

State Debt Levels

Annual Growth Rate of Debt Levels

Debt Service Expense

Annual Growth Rate of Debt Service Expense

Comparison of Above with Other States

Future Five Years

State Revenues (using national forecasts adjusted for State of Connecticut)

Annual Growth Rate of State Revenues

State Expenses (using the last five year rolling average)

Annual Growth Rate of State Expenses

State Debt Levels

Annual Growth Rate of Debt Levels

Debt Service Expense

Annual Growth Rate of Debt Service Expense

Macroeconomic Trends affecting Connecticut

Comparison of Above with Other States

Current Fiscal Year

Expected Surplus (Deficit)

Comments

Current Debt Level

Statement of Unfunded Liabilities

Tax Base Trends in Connecticut

Health of the Tax Base – Corporate/Family/Individual

Comments on State Policies Affecting Either Positively or Negatively the Tax Base

Comparison of Above with Other States

Finally, in the spirit of minimizing or eliminating costs associated with any new or existing initiatives, the purpose of SB49 could be accomplished relatively easily and quickly by existing staff at OFA or OPM and could be posted on a website as opposed to printing it annually.

As citizens as well as legislators, we all need to better understand where we are going as a state and how to assure that Connecticut remains great in all respects.

Thank you very much for your time and consideration.